

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



September 20, 2000

ALL-COUNTY INFORMATION NOTICE NO.I-92-00

TO: ALL COUNTY WELFARE DIRECTORS
ALL IHSS PROGRAM MANAGERS
ALL COUNTY FISCAL OFFICERS

REASON FOR THIS TRANSMITTAL

- ☐ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order or Settlement Agreement
- ☒ Clarification Requested by One or More Counties
- ☐ Initiated by CDSS

**SUBJECT: IN-HOME SUPPORTIVE SERVICES (IHSS) INFORMATION
REGARDING THE FISCAL YEAR 2000/01 STATE BUDGET AND
BUDGET TRAILER BILL -- ASSEMBLY BILL (AB) 2876**

The purpose of this All-County Information Notice (ACIN) is to advise counties of recent law changes regarding the In-Home Supportive Services (IHSS) program. The Fiscal Year (FY) 2000/01 Budget Act and the budget trailer bill, Assembly Bill 2876 (Chapter 108, Statutes of 2000), provided State funding for IHSS provider wage increases and, in some cases, health benefits. Additionally, the Budget Act provided funds to increase both existing Maximum Allowable Contract Rates and the percentage of the IHSS caseload receiving services under the contract mode. The following questions and answers are intended to provide counties with specific information about these budget changes.

QUESTIONS AND ANSWERS

Question: How much money was provided in the budget for provider wage increases?

Answer: \$109.6 million (General Fund) for public authority individual provider wage increases and \$3.7 million (General Fund) for provider wage increases in non-public authority counties.

Question: Which IHSS providers qualify for a wage increase in FY 2000/01?

Answer: Individual providers in both public authority and non-public authority counties qualify for a wage increase in FY 2000/01; however, the maximum amount of the wage increase in public authority counties in which the State will share in the cost differs from the maximum amount in non-public authority counties.

Question: How much will the State share in provider wage increases?

Answer: In a public authority county, in fiscal year 2000/01, the State will share in IHSS provider wages up to \$7.50 per hour plus taxes. In a non-public authority county the State will share in individual provider wage increases of up to 3% above minimum wage. The State will pay 65% of the non-federal share of the cost of the wages and taxes.

Question: When can counties make wage increases effective?

Answer: Assembly Bill (AB) 2876 provides that public authority rate increases to implement a provider wage increase are effective the month following the month the change is approved by the State. Public authorities may propose such a change at any time and State and federal sharing in the cost begin on the effective date of the new rate. Under AB 2876 State sharing in wage increases for non-public authority counties is not effective until January 1, 2001; however, federal sharing is available up to 150% of the minimum wage if a county wishes to initiate a wage increase before that date.

Question: How does a county get a public authority rate increase approved by the State?

Answer: Public authority counties that wish to establish or increase their public authority rate must submit an IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY/NON-PROFIT CONSORTIUM RATE (SOC 449) form to the CDSS Adult Programs Branch. (Instructions regarding the public authority rate approval process and how to complete the SOC 449 form were included in ACLs 98-20 and 99-68.) Approval may be granted conditionally, subject to funding availability.

Question: Do non-public authority counties have to get their hourly IHSS provider wage rate approved by the State?

Answer: Yes, if the county is increasing the wage rate by more than minimum wage. Counties that wish to increase their hourly wage must inform CDSS in writing of the wage rate, including the amount above \$5.75 and the effective date. As part of the planning to implement the rate increase, counties need to allow 60 days so that the Case Management, Information and Payroll System (CMIPS) can implement the rate. For Counties wishing to implement an increase in their wage rate by January 1, 2001, they need to inform CDSS in writing by October 31, 2000. There is no guarantee that CMIPS can process a rate increase to meet the January 1, 2001 deadline, if it is submitted after October 31, 2000.

Question: Who decides whether providers in a county receive a wage increase?

Answer: Each county's Board of Supervisors makes the ultimate decision to provide IHSS providers in a county with a wage increase. Public authority county wage

increases are subject to collective bargaining but, ultimately the county's Board of Supervisors must adopt a proposed public authority wage increase.

Question: Will the State share in benefits costs for IHSS providers?

Answer: Yes. \$34.2 million (General Fund) was provided in the budget for health benefits, but only for public authority providers. The State will share in the cost of a health insurance coverage for public authority providers up to \$.60 per hour. The State will pay 65% of the non-federal share of the cost up to the \$.60 per hour maximum. The \$.60 per hour rate must be used only for health care benefits.

Question: What about health benefits for other IHSS providers?

Answer: The trailer bill requires CDSS to evaluate options for providing health insurance to non-public authority providers and to report to the Legislature by January 15, 2001 on the Department's findings. The Department has convened a work group for this purpose.

Question: What about the federal share of wage increases and health benefits?

Answer: California's Medicaid (Medi-Cal) State Plan establishes the Medi-Cal covered IHSS services costs in which the federal government will share. Federal sharing is dependent on the approval of the wage rate by the California Department of Health Services. Federal sharing in a State-approved individual provider wage is available up to 150% of the State's minimum wage. In public authority counties the federal government will share in a public authority's State-approved total rate (wages, benefits, administration) up to 200% of the minimum wage. Requests for State approval of public authority rate or a non-public authority individual provider wage rate in excess of the level for which State sharing is available should be sent to the CDSS Adult Programs Branch.

Question: What will happen on provider wages and benefits next fiscal year?

Answer: The Fiscal Year 2000/01 State Budget and AB 2876 establish specific out year funding for public authority wages and/or benefits with specified conditions. In the next four succeeding fiscal years in which State General Fund revenues are forecast to increase by at least 5% the State is authorized to share in public authority provider wages up to an additional \$1.00 per hour. This totals to \$12.10 per hour in the fourth and final subsequent fiscal year. The additional \$1.00 per hour may be allocated by the county to wages, benefits or between both at county discretion.

Question: Does the 2000/01 budget address IHSS contract rates?

Answer: Yes. The 2000/01 budget includes funds for the State to share in an increase in the existing Maximum Allowable Contract Rates (MACR) to their current

level plus 10%. The State will share in 65% of the nonfederal share of a county's contract rate.

Question: Does the budget provide for growth in the IHSS caseload under the contract mode?

Answer: Yes. The budget provides funds for the State share in an increase of up to 40% above the current IHSS caseload served in the contract mode. The 40% growth provision covers contract caseload increases occurring both in existing counties' contract caseloads and counties initiating contracting for the first time.

Question: When is the State share available for a higher MACR or contract caseload increase?

Answer: State sharing is available beginning on the effective date of the new MACR when there is an increase or new county contract caseload as approved by the State.

Question: How does a county get a MACR?

Answer: The county should submit a written request to the CDSS Adult Programs Branch. Specific instructions for establishing a MACR and increasing a MACR for an existing contract will be provided in a separate ACL. The Adult Programs Branch is currently assessing the feasibility of having MACRs calculated using outside consulting financial expertise. If it is feasible this will accelerate the availability of MACRs to counties.

SURVEY

CDSS is requesting that non-public authority counties complete the attached survey relating to the funding appropriated for up to a 3% wage increase for individual providers in non-public authority counties. The survey results will assist CDSS to develop fiscal and program policies during the next year.

We request that the survey be completed and returned by September 29, 2000 by mail or FAX to:

California Department of Social Services
Adult Programs Branch
Fiscal and Administrative Bureau
744 P Street, M.S. 19-96
Sacramento, California 95814
Fax number: (916) 229-3155

Thank you for your assistance. If you have questions or concerns, you may contact Alan Stelmack, Chief, Adult Programs Branch, at (916) 229-4583.

Sincerely,

***Original Document Signed By Leonard Tozier For
Donna L. Mandelstam on 9/20/00***

DONNA L. MANDELSTAM
Deputy Director
Disability and Adult Programs Division

Attachment

Non-Public Authority Individual Provider County Survey

1. Is your county going to increase IHSS individual provider wages in fiscal year 2000/01?

Circle one: Yes No

2. If yes, please answer the following questions:

a. What do you anticipate the new wage rate will be? Dollar amount: \$_____

b. What do you anticipate the effective date will be? Effective date: ____/____/____

c. Did your county budget in advance for an IHSS provider wage increase in Fiscal Year 2000/01?

Circle one: Yes No

d. If your county did not budget in advance for an IHSS provider wage increases, how will the county fund its share of the increase?

OTHER COMMENTS?

County _____ Date ____/____/____

Completed By _____ Telephone No. () _____